

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

R

W-01380A
Ray Water Company
414 North Court
Tucson, AZ 85701

RECEIVED

APR 13 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005
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entered
4-13-06
RF

FOR COMMISSION USE

ANN04	05
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COMPANY INFORMATION

Company Name (Business Name) Ray Water Company

Mailing Address 414 N. Court Avenue

Tucson
(City)

AZ
(State)

85701
(Zip)

520-623-1332

520-623-2302

N/A

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address N/A

Local Office Mailing Address 414 North Court Avenue

Tucson
(City)

AZ
(State)

85701
(Zip)

520-623-1332

520-623-2302

N/A

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address N/A

MANAGEMENT INFORMATION

Management Contact: Dorleen Mallis

President

(Name)

(Title)

414 North Court Avenue

Tucson

AZ

85701

(Street)

(City)

(State)

(Zip)

520-623-1332

520-623-2302

N/A

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address N/A

On Site Manager: Rhonda Rosenbaum

(Name)

414 North Court Avenue

Tucson

AZ

85701

(Street)

(City)

(State)

(Zip)

520-623-1332

520-623-2302

N/A

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address N/A

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: <u>Rhonda Rosenbaum</u>			
(Name)			
<u>414 North Court Avenue</u>	<u>Tucson</u>	<u>AZ</u>	<u>85701</u>
(Street)	(City)	(State)	(Zip)
<u>520-623-1332</u>	<u>520-623-2302</u>	<u>N/A</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Attorney: <u>Hugh Holub</u>			
(Name)			
<u>1881 North Mastick Way</u>	<u>Nogales</u>	<u>AZ</u>	<u>85621</u>
(Street)	(City)	(State)	(Zip)
<u>520-377-8259</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input checked="" type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Ray Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	N/A	N/A	N/A
302	Franchises	700	-0-	700
303	Land and Land Rights	1,540	-0-	1,540
304	Structures and Improvements	13,781	10,036	3,745
307	Wells and Springs	309,915	168,343	141,572
311	Pumping Equipment	210,297	45,890	164,407
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	332,790	118,734	214,056
331	Transmission and Distribution Mains	693,458	404,839	288,619
333	Services	387,397	58,539	328,858
334	Meters and Meter Installations	110,524	65,531	44,993
335	Hydrants	77,913	28,622	49,291
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	3,989	1,748	2,241
340	Office Furniture and Equipment	15,645	916	14,729
341	Transportation Equipment	56,568	11,243	45,325
343	Tools, Shop and Garage Equipment	671	540	131
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	694	538	156
347	Miscellaneous Equipment	1,253	971	282
348	Other Tangible Plant	N/A	N/A	N/A
	TOTALS	2,217,135	916,490	1,300,645

This amount goes on the Balance Sheet Acct. No. 108



See Accountants' Compilation Report.

COMPANY NAME

Ray Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	N/A	N/A	N/A
302	Franchises	700	N/A	N/A
303	Land and Land Rights	1,540	N/A	N/A
304	Structures and Improvements	13,781	5.0%	636
307	Wells and Springs	309,915	5.0%	10,352
311	Pumping Equipment	210,297	5.0%	8,698
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	332,790	5.0%	13,493
331	Transmission and Distribution Mains	693,458	5.0%	24,666
333	Services	387,397	5.0%	19,308
334	Meters and Meter Installations	110,524	5.0%	3,370
335	Hydrants	77,913	5.0%	3,555
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	3,989	5.0%	199
340	Office Furniture and Equipment	15,645	5.0%	688
341	Transportation Equipment	56,568	5.0%	2,828
343	Tools, Shop and Garage Equipment	671	5.0%	34
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	694	5.0%	35
347	Miscellaneous Equipment	1,253	5.0%	63
348	Other Tangible Plant	N/A	N/A	N/A
	TOTALS	2,217,135		87,925

This amount goes on the Comparative Statement of Income and Expense

Acct. No. 403.

Less amortization of contributions
in aid of construction

Net Depreciation

(14,978)

72,947

See Accountants' Compilation Report.

COMPANY NAME

Ray Water Company

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 10,252	\$ 52,371
134	Working Funds	N/A	N/A
135	Temporary Cash Investments	712,396	886,560
141	Customer Accounts Receivable	13,178	8,315
146	Notes/Receivables from Associated Companies	N/A	N/A
151	Plant Material and Supplies	N/A	N/A
162	Prepayments	4,796	11,544
174	Miscellaneous Current and Accrued Assets	7,299	10,256
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 747,921	\$ 969,046
	FIXED ASSETS		
101	Utility Plant in Service	\$ 2,178,937	\$ 2,217,135
103	Property Held for Future Use	N/A	N/A
105	Construction Work in Progress	16,850	58,365
108	Accumulated Depreciation – Utility Plant	856,570	916,490
121	Non-Utility Property	N/A	N/A
122	Accumulated Depreciation – Non Utility	N/A	N/A
	TOTAL FIXED ASSETS	\$ 1,339,217	\$ 1,359,010
	TOTAL ASSETS	\$ 2,087,138	\$ 2,328,056

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

Ray Water Company

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 1,317	\$ 1,385
232	Notes Payable (Current Portion)	-0-	-0-
234	Notes/Accounts Payable to Associated Companies	-0-	-0-
235	Customer Deposits	67,831	79,755
236	Accrued Taxes	31,889	25,944
237	Accrued Interest	-0-	-0-
241	Miscellaneous Current and Accrued Liabilities	27,747	28,616
	TOTAL CURRENT LIABILITIES	\$ 128,784	\$ 135,700
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ -0-	\$ -0-
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ -0-	\$ -0-
252	Advances in Aid of Construction	687,739	877,205
255	Accumulated Deferred Investment Tax Credits	5,051	4,112
271	Contributions in Aid of Construction	304,031	304,031
272	Less: Amortization of Contributions	(30,963)	(45,941)
281	Accumulated Deferred Income Tax	10,247	27,242
	TOTAL DEFERRED CREDITS	\$ 976,105	\$ 1,166,649
	TOTAL LIABILITIES	\$ 1,104,889	\$ 1,302,349
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 16,000	\$ 16,000
211	Paid in Capital in Excess of Par Value	41,333	41,333
215	Retained Earnings	924,916	968,374
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 982,249	\$ 1,025,707
	TOTAL LIABILITIES AND CAPITAL	\$ 2,087,138	\$ 2,328,056

See Accountants' Compilation Report.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 534,466	\$ 578,419
460	Unmetered Water Revenue	-0-	-0-
474	Other Water Revenues	17,354	19,584
	TOTAL REVENUES	\$ 551,820	\$ 598,003
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 184,979	\$ 196,749
610	Purchased Water	-0-	-0-
615	Purchased Power	70,382	66,873
618	Chemicals	-0-	-0-
620	Repairs and Maintenance	1,438	1,644
621	Office Supplies and Expense	10,356	13,180
630	Outside Services	21,003	20,165
635 604	Water Testing Emp. Pension & Benefit-SEP	27,747	28,616
641	Rents	22,000	22,000
650	Transportation Expenses	3,727	7,227
657	Insurance – General Liability	9,338	9,117
659	Insurance - Health and Life	-0-	1,203
666	Regulatory Commission Expense – Rate Case	-0-	-0-
675	Miscellaneous Expense	11,749	43,638
403	Depreciation Expense	71,926	72,947
408	Taxes Other Than Income	14,708	15,644
408.11	Property Taxes	39,206	38,919
409	Income Tax	13,002	33,485
	TOTAL OPERATING EXPENSES	\$ 501,561	\$ 571,407
	OPERATING INCOME/(LOSS)	\$ 50,259	\$ 26,596
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 6,482	\$ 17,191
421	Non-Utility Income	2,767	-0-
426	Miscellaneous Non-Utility Expenses	(1,361)	(76)
427	Interest Expense	-0-	(253)
	TOTAL OTHER INCOME/(EXPENSE)	\$ 7,888	\$ 16,862
	NET INCOME/(LOSS)	\$ 58,147	\$ 43,458

See Accountants' Compilation Report.

COMPANY NAME

Ray Water Company

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$ -0-	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 15,636

Meter Deposits Refunded During the Test Year

\$ 829

See Accountants' Compilation Report.

COMPANY NAME Ray Water Company

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-609464	40	300	464	12"	6" FM	1969
55-609465	60	180	425	12"	6" FM	1973
55-609466	30	75	331	12"	4" FM	1963
55-800420	60	400	680	12"	6" FM	1983
55-535561	40	150	475	12"	6" FM	1992

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
25	1	60	N/A
20	1		
15	3		
30	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
50,000	4	5,000	4
90,000	1	6,000	1
250,000	1	1,000	1

See Accountants' Compilation Report.

COMPANY NAME Ray Water Company

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	N/A	N/A
3	AC	9,730
4	AC	29,900
5	N/A	N/A
6	AC	24,780
8	AC	4,410
10	N/A	N/A
12	N/A	N/A
4	PVC 900	735
6	PVC 900	13,515
8	PVC 900	19,686
6	DIP	175
12	DIP	200

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	1,383
3/4	N/A
1	27
1 1/2	3
2	10
Comp. 3	N/A
Turbo 3	1
Comp. 4	3
Tubo 4	1
Comp. 6	1
Tubo 6	N/A

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

Cyclone/razor wire fencing around all six well sites.

50 sq. ft. storage building at well #4.

OTHER:

Office furniture and equipment, computers.

Miscellaneous field equipment.

COMPANY NAME: Ray Water Company

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	1,314	12,822	14,165
FEBRUARY	1,323	11,705	13,125
MARCH	1,344	15,911	17,714
APRIL	1,372	16,719	24,931
MAY	1,386	20,431	24,890
JUNE	1,384	28,978	34,362
JULY	1,398	25,723	24,428
AUGUST	1,399	19,909	24,758
SEPTEMBER	1,422	21,584	20,403
OCTOBER	1,405	17,922	18,682
NOVEMBER	1,429	17,286	19,734
DECEMBER	1,450	21,770	20,013
TOTAL		230,760	257,205

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes ☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☒ Yes ☐ No

If yes, provide the GPCPD amount: 121 GPC PD

What is the level of arsenic for each well on your system. * mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

<u>Point of Entry</u>	<u>Level</u>
#1	.0032 mg/l
#2	.0047 mg/l
#3	.0030 mg/l
#4	.0084 mg/l
#5	.0003 mg/l

COMPANY NAME Ray Water Company YEAR ENDING 12/31/2005

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ *39,062

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

19,653.15	Paid 5/06/05
(100.60)	Refunded 5/09/05
<u>19,509.73</u>	Paid 10/27/05
 <u>*39,062.28</u>	Property taxes paid during 2005 (see attached payment receipts)

See Accountants' Compilation Report.

PIMA COUNTY TREASURER'S OFFICE

TAX PAYMENT RECEIPT

Paid Date 05/06/2005
 Batch Number I050506048
 Paid by Code 01

RAY WATER COMPANY, INC
 414 N COURT AVE
 TUCSON, AZ 85701

Method Amount
 CK \$19,653.15

Total Amount Paid \$19,653.15
 Total Tax Amount Paid \$19,552.55
 Total Interest Amount Paid \$0.00
 Total Refund Due \$0.00

PARCEL NUMBER	TAX PAID	INTEREST PAID	TOTAL PAID	PAYMENT TYPE	LEGAL DESCRIPTION
922012000	\$19,115.30	\$0.00	\$19,115.30	SECOND HALF	TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP NO 220
140351670	\$238.50	\$0.00	\$238.50	SECOND HALF	CORONET PARK NO 1 LOT 164 TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP NO 220 (FORMERLY 139-33-1670)
140340220	\$139.13	\$0.00	\$139.13	SECOND HALF	RAY AMENDED LOT 7 BLK 4 (FORMERLY 139-32-0220)
140352050	\$59.62	\$0.00	\$59.62	SECOND HALF	CORONET PARK NO 2 PARCEL 50' X 75' BLK 2 TOTAL VALUE OF OPERATING PROPERTY- TAXPAYER GROUP NO 220 (FORMERLY 139-33-2050)

RCVD APR 28 2005

SR

Due Ma

Delinquency
Penalty for
prorated mon
for payment
May 2, 2005
18053).

15621

RAY WATER COMPANY, INC.

414 N. COURT AVENUE PH. 623-1332
TUCSON, AZ 85701

DATE 4/27/05

91-527-2042
1221

PAY
TO THE
ORDER OF

Pima County Treasurer

\$ 19653.15

Nineteen Thousand Six Hundred Fifty Three and 15/100 DOLLARS



Wells Fargo Bank Arizona, N.A.
145 E. 22nd St.
Tucson, AZ 85713
www.wellsfargo.com

FOR

Taxes

Dorleen Mallis

⑈015621⑈ ⑆122105278⑆0728387424⑈

Nº 66070

**PIMA COUNTY TREASURER
REFUND MEMORANDUM**

Date: 5-06-05

Refund Amt. \$ 100 60

Tax Year 2004

Refund Check # 49071

Parcel/Ref # 140.352050

To Ray Water Company

Payment Reference Bank: FI 19653.15

Check #: 15621

Reason:

overpaid on 5 parcels Previously Pd in full

*414 N. Cowd Ave
Tucson, Az 85701*

**Beth Ford
Pima County Treasurer**

Sharon Robinson
Prepared by

82-91V
0000010-4

parcel 140-35-2050

BETH FORD
PIMA COUNTY TREASURER
DISBURSEMENT/SERVICING ACCOUNT
116 North Church Avenue
Tucson, AZ 85701

Bank of America
101 N. First Avenue
Phoenix, AZ 85003

49071

91-170/1221 AZ
9155

PAY EXACTLY 100 DOLLARS AND 60 CENTS

DATE
05/09/2005

AMOUNT



PAY
TO THE
ORDER OF

RAY WATER CO., INC.
414 N COURT AVE
TUCSON, AZ 85701

⑈049071⑈ ⑆122101706⑆ 000412724156⑈

49071

REFERENCE	DESCRIPTION	AMOUNT
RE REF #66070	PARCEL 140352050	\$100.60
PAYEE		DATE
RAY WATER CO., INC.		05/09/2005
		AMOUNT
		\$100.60

TAX PAYMENT RECEIPT

Paid by Code 01

RAY WATER COMPANY, INC.
414 N. COURT AVENUE
TUCSON, AZ 85701

CK \$19,509.73

Total Refund Due	\$0.00
-------------------------	---------------

PARCEL NUMBER	TAX PAID	INTEREST PAID	TOTAL PAID	PAYMENT TYPE	LEGAL DESCRIPTION
922012000	\$18,969.73	\$0.00	\$18,969.73	FIRST HALF	TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP NO 220
140340810	\$19.96	\$0.00	\$19.96	FIRST HALF	RAY AMENDED THAT PT OF LOT 9 BLK 15 LYG SLY OF SWAN RD & PT ABAND RD (ABAND 7562/1098 (FORMERLY 139- 32-185B) TOTAL VALUE OF OPERATING PROPERTY-TAXPAYER GROUP NO 55- 220
140340220	\$139.80	\$0.00	\$139.80	FIRST HALF	RAY AMENDED LOT 7 BLK 4 (FORMERLY 139-32-0220)
140060090	\$20.79	\$0.00	\$20.79	FIRST HALF	MORTIMORE LOT 20 BLK 11 TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP #220 (FORMERLY 139-09-0090)
140351670	\$239.65	\$0.00	\$239.65	FIRST HALF	CORONET PARK NO 1 LOT 164 TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP NO 220 (FORMERLY 139-33-1670)
140342750	\$19.96	\$0.00	\$19.96	FIRST HALF	RAY AMENDED N55' OF LOT 16 EXC TRI IN NW COR THEREOF BLK 12 (WELLSITE) TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP #220 (FORMERLY 139-32-146A)
140340280	\$19.96	\$0.00	\$19.96	FIRST HALF	RAY AMENDED LOT 1 BLK 5 RAY WATER COMPANY TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP NO 220 (FORMERLY 139-32-0280)
140352050	\$59.92	\$0.00	\$59.92	FIRST HALF	CORONET PARK NO 2 PARCEL 50' X 75'

140340180	\$19.96	\$0.00	\$19.96	FIRST HALF
-----------	---------	--------	---------	------------

1150 000 160 07/te-1-1111/linpound receipt 1027122 no-T051027122

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED
APR 13 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) <u>Pima</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Dorleen Mallis, President</u>
COMPANY NAME <u>Ray Water Company</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

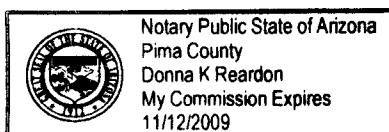
MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2005</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



x Dorleen Mallis
SIGNATURE OF OWNER OR OFFICIAL

520-623-1332

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 3rd DAY OF

(SEAL)

MY COMMISSION EXPIRES 11/12/2009

COUNTY NAME	<u>PIMA</u>
MONTH	<u>APRIL</u> <u>2006</u>

Donna K Reardon
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Ray Water Company

YEAR ENDING 12/31/2005

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>58,887</u>
Estimated or Actual Federal Tax Liability	<u>9,722</u>
State Taxable Income Reported	<u>110,787</u>
Estimated or Actual State Tax Liability	<u>7,720</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>None</u>
Amount of Gross-Up Tax Collected	<u>None</u>
Total Grossed-Up Contributions/Advances	<u>None</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

x Dorleen Mallis
SIGNATURE

x 4/3/06
DATE

Dorleen Mallis
PRINTED NAME

President
TITLE

See Accountants' Compilation Report.

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 13 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
<u>Pima</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Dorleen Mallis, President</u>
COMPANY NAME
<u>Ray Water Company</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

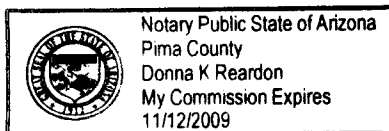
FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2005</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:



Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 636,737

(THE AMOUNT IN BOX ABOVE

INCLUDES \$ 38,734

IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Dorleen Mallis
SIGNATURE OF OWNER OR OFFICIAL
520-623-1332
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

3RD

DAY OF

(SEAL)

COUNTY NAME	<u>PIMA</u>	
MONTH	<u>APRIL</u>	<u>2006</u>
<u><i>Donna K Reardon</i></u> SIGNATURE OF NOTARY PUBLIC		

MY COMMISSION EXPIRES 11/12/2009

See Accountants' Compilation Report.

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

APR 13 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Dorleen Mallis	TITLE President
COMPANY NAME Ray Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH 12	DAY 31	YEAR 2005
-------------	-----------	--------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ 530,553

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 33,299
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL

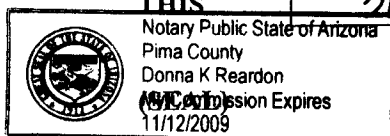
520-623-1332

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

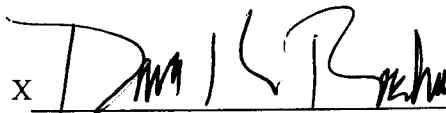
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 3rd **DAY OF**



MY COMMISSION EXPIRES 11/12/2009

NOTARY PUBLIC NAME DONNA K REARDON	
COUNTY NAME Pima	
MONTH APRIL	.20 <u>06</u>

X 
SIGNATURE OF NOTARY PUBLIC

See Accountants' Compilation Report.

SEBY & ASSOCIATES, LTD.
CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 31090
TUCSON, ARIZONA 85751-1090

M. J. SEBY, CPA
DOUGLAS W. LUBBEN, CPA
RICHARD G. BABBITT, CPA
GLENN E. FYDRYCH, CPA

NATIONAL BANK PLAZA
335 N. WILMOT RD., #400
TUCSON, ARIZONA 85711
TELEPHONE (520) 790-5500
FAX (520) 790-9899
EMAIL: cpa@seby.psemail.com

March 30, 2006

RECEIVED

APR 13 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

Compliance Section
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

RE: Ray Water Company

Dear Sir/Madam:

Please find enclosed the Annual Report of Water Utility for the above captioned corporation for the calendar year 2005.

Yours very truly,

SEBY & ASSOCIATES, LTD.



Glenn E. Fydrych, CPA

GEF:vb
Enclosure

SEBY & ASSOCIATES, LTD.
CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 31090
TUCSON, ARIZONA 85751-1090

M. J. SEBY, CPA
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TUCSON, ARIZONA 85711
TELEPHONE (520) 790-5500
FAX (520) 790-9899
EMAIL: cpa@seby.psemail.com

Ray Water Company
414 North Court Ave.
Tucson, AZ 85701

We have compiled the annual report to the Arizona Corporation Commission, Utilities Division, Compliance Section for the year ended December 31, 2005 for Ray Water Company included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission, Utilities Division, Compliance Section, information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

The financial and statistical information, including other disclosures, are presented in accordance with the requirements of the Arizona Corporation Commission, Utilities Division, Compliance Section, which differ from generally accepted accounting principles. Accordingly, the financial statements are not designed for those who are not informed about such differences.

Respectfully submitted,



SEBY & ASSOCIATES, LTD.
Certified Public Accountants

March 30, 2006